



Top Ten Facts Americans Should Know About the Baucus Bill

1. The real 10 year cost of the bill when fully implemented will be \$1.67 trillion because the main spending provisions will not go into effect until 2013.ⁱ However, the new taxes and fees, \$838 billion over 10 full years of implementation, go into effect immediately.
2. The proposal cuts nearly \$500 billion from Medicareⁱⁱ to fund a new government program, even though Medicare will start going bankrupt in 2017.ⁱⁱⁱ The Medicare Trustees this year warned of “the need for timely and effective action to address Medicare’s financial challenges.”^{iv}
3. The tax on insurers will be passed on in the form of higher health insurance premiums, and the tax on medical devices will be passed on in the form of higher costs for everything from contact lenses to hearing aids.^v
4. The IRS will tax you if you don’t buy a health care plan approved by the government.^{vi} The government will collect \$20 billion from this tax.^{vii} While the President has denied that this penalty is a tax, page 29, sentence one of the bill introduced by Senate Finance Committee Chairman Max Baucus says: “The consequence for not maintaining insurance would be an excise tax.”
5. The long-term deficit reductions predicted in the bill depend on Congress repeatedly approving cuts year after year to Medicare providers—including hospitals and home health agencies—that in reality Congress is unlikely to support.^{viii}
6. The employer mandate will be shifted to workers in the form of lower wages. It will disproportionately impact low-income workers and could force employers to cut jobs or outsource workers.^{ix}
7. If you’re a senior who likes what you have, you can’t be sure if you’ll be able to keep it. The proposal cuts \$123 billion^x from the Medicare Advantage program, which will lead plans to cut benefits or drop coverage for seniors.
8. The bill dramatically expands Medicaid even though physicians increasingly refuse to treat Medicaid patients. A recent survey of physicians showed that less than 50 percent of specialists accept new Medicaid patients in many major metropolitan areas.^{xi}
9. The bill also will expand Medicaid at a cost of nearly \$300 billion even though the Government Accountability Office (GAO) has repeatedly determined that Medicaid is plagued by fraud. In 2009, GAO labeled Medicaid a “high-risk” program, finding \$32.7 billion in improper payments in 2007 alone—10 percent of the program’s total spending.^{xii}
10. After the President of the United States said that he would support medical liability reform, the only provision in the Baucus plan is a “Sense of the Senate.”^{xiii} A non-binding resolution will do nothing to lower health care costs or protect doctors from frivolous lawsuits.

ⁱ Estimate from Republican staff on Senate Budget Committee from CBO score of America's Healthy Future Act for FYs 2014-2023.

ⁱⁱ CBO score of America's Healthy Future Act, September 16, 2009.

ⁱⁱⁱ Social Security and Medicare Boards of Trustees, "A Summary of the 2009 Annual Reports," 2009. Available at:

<http://www.ssa.gov/OACT/TRSUM/index.html>.

^{iv} The 2009 Annual Report of the Boards of Trustees of the Federal Hospital and Federal Supplementary Medical Insurance Trust Fund, May 12, 2009. Available at: <http://www.cms.hhs.gov/ReportsTrustFunds/downloads/tr2009.pdf>.

^v *Wall Street Journal*, editorial, "The Innovation Tax," September 18, 2009; Memorandum from former CBO Director Douglas Holtz-Eakin, "The Economic Burden of Taxing Health Insurance Companies in the Chairman's Mark of the America's Healthy Future Act," September 18, 2009.

^{vi} Chairman's Mark of the America's Healthy Future Act, p. 17.

^{vii} CBO score of America's Healthy Future Act, September 16, 2009.

^{viii} "These projections assume that the proposals are enacted and remain unchanged throughout the next two decades, which is often not the case for major legislation. For example, the sustainable growth rate (SGR) mechanism governing Medicare's payments to physicians has frequently been modified to avoid reductions in those payments." CBO score of America's Healthy Future Act, September 16, 2009.

^{ix} CBO, "Effects of Changes to the Health Insurance System on Labor Markets," July 13, 2009.

^x CBO score of America's Healthy Future Act, September 16, 2009.

^{xi} Merritt Hawkins and Associates, "2009 Survey of Physician Appointment Wait Times," available at:

<http://www.merrithawkins.com/pdf/mha2009waittimesurvey.pdf>. The study found that "Medicaid is not widely accepted in most markets surveyed, in at least some of the medical specialties reviewed, and, in some cases, all of them."

^{xii} GAO, "High-Risk Series – An Update," January 2009, available at: <http://www.gao.gov/new.items/d09271.pdf>.

^{xiii} The provision "would express the Sense of the Senate that health care reform presents an opportunity to address issues related to medical malpractice and medical liability insurance." Chairman's Mark of the America's Healthy Future Act, p. 174.